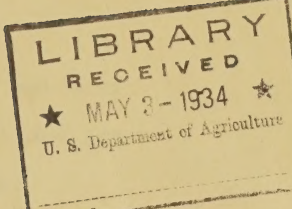


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BEEF SITUATION

Where are we?

During each of the past six years the cattlemen have produced from 1 to 2 1/2 millions more cattle than they have marketed. This excess production has been added to our breeding herds with the result that in six years the total number of cattle in the United States increased from 57 millions to 67 millions. This brings to the stockmen a double difficulty. The first is that he can not continue holding back part of his increase but must market all of it. We are now producing 24 million cattle and calves available for slaughter, whereas during the past six years we have been killing an average of only 21 millions. From now on we must kill the full 24 millions.

The second difficulty is that if we attempt to cut down this annual production to the amount we have been selling during the past six years, we will find ourselves with at least 3 1/2 millions too many cows.

This increase in numbers has been in both beef and dairy, as is shown by the following:

	Jan. 1, 1928	Jan. 1, 1934	Increase in six years	Increase in per cent
	In thousands			
Cows and heifers for milk	22,129	26,062	4,933	22
Heifers 1-2 years " "	4,158	4,749	591	14
Heifer calves " "	4,606	5,265	659	14
Total cattle for milk	30,893	36,076	6,183	20
Cows and heifers not for milk	8,765	10,688	1,923	22
Heifers 1-2 years " " "	2,523	3,240	717	28
Calves " " "	7,785	10,284	2,499	32
Steers " " "	5,362	5,467	105	2
Bulls " " "	1,373	1,597	224	16
Total cattle not for milk	25,808	31,276	5,468	21
Total, all cattle	56,701	67,352	10,651	19

The above shows that the problem involves both beef and dairy cattle and that any plan for improvement of the beef market must consider both the beef and dairy phases of the cattle industry.

That this situation is already upon us is shown by the fact that the number of cattle offered for slaughter took a big upward jump last summer. For each of the past ten months the number of cattle slaughtered under Federal inspection has broken the five-year record. Compared with the previous ten months, the slaughter for the last ten months has increased 25%.

In a nutshell, therefore, the cattlemen today, whether beef or dairy, must market all the cattle he raises instead of holding back part of them, and in addition must market a part of his breeding herd.

If nothing is done:

If nothing is done to correct this situation, we must plan on marketing around 15% more cattle a year than we marketed from 1928 to 1933. If the markets can not absorb this increase readily, there is the very great danger that cattlemen will try to reduce their herds, which means that on top of this increased production our markets will have to carry the additional load of liquidated breeding stock. This has happened before, as for example, from 1922 to 1928. During these years cattlemen were reducing their herds and were not only selling their normal increases, but were also selling 1 to 2 million head a year out of their inventory. The result was six years of glutted markets. Unless something is done to correct the present situation, we may expect another long period of glutted markets. Such a situation now would be much more serious than it was from 1922 to 1928, since the buying power of the consumer is now much lower. We hope for an improvement in consumer buying power, but unless something is done to correct this cattle supply situation, any possible increase in consumer buying power will be more than offset by glutted markets.

What must be done?

Two things must be done in order to relieve this situation:

1. The annual production of cattle must be reduced by around 15%.
2. Provision must be made whereby the excess breeding stock now on hand can be disposed of without demoralizing the market.

Compensating taxes.

Whenever the processing tax on hogs is shown to be causing a disadvantage to hogs in competition with beef, the Secretary is required by law to levy a compensating tax on cattle sufficient to prevent such disadvantage to hogs.

Exports.

In 1932 and 1933 less than one fourth of one percent of our total production of beef was exported.

All Cattle and Calves

	Number slaughtered Annually	Number of all Cattle in U. S. at end of the Year	Increase in numbers of all Cattle during the year	Total production for the year (Slaughter and number added to the herd.)
1927		56,700,000		
1928	21,100,000	57,900,000	1,200,000	22,300,000
1929	20,500,000	59,700,000	1,800,000	22,300,000
1930	20,700,000	61,000,000	1,300,000	22,000,000
1931	20,900,000	62,700,000	1,700,000	22,600,000
1932	20,500,000	65,600,000	2,900,000	23,400,000
1933	22,300,000	67,400,000	1,800,000	24,100,000
Total for six Years	126,000,000		10,700,000	136,700,000

